



environmental consultants, inc.

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8160 South Highland Drive • Sandy, Utah 84093 • (801) 943-4144 • Fax (801) 942-1852

April 19, 2001

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DIVISION OF
OIL GAS AND MINING

Mr. Carl Wadsworth
Utah Division of Solid and Hazardous Waste
288 North 1460 West
Salt Lake City, Utah 84116-4880

RE: Application for Permit by Rule for a Class IIIb Solid Waste Disposal Facility at North Lily Mining Company's Silver City Heap Leach Facility, Juab County, Utah

Dear Mr. Wadsworth:

JBR Environmental Consultants, Inc. (JBR) is a consultant to North Lily Mining Company (North Lily) and has prepared this request for permit by rule which is being submitted on North Lily's behalf, in accordance with UAC R315-318-1. This former gold heap leach operation (the Facility) is now being closed and reclaimed under a Consent Decree issued by the Utah Board of Oil Gas and Mining and in accordance with the regulations (UAC R647-4-110 through 112) of the Division of Oil Gas and Mining (DOGM) and a DOGM-approved reclamation plan. In addition, the closure of the site is being carried out in compliance with the Utah Ground Water Protection Rules (UAC R317-6) administered by the Utah Division of Water Quality (DWQ) and Ground Water Discharge Permit UGW230001 issued by DWQ. We understand that rules (and the permit requirements that are driven by the rules) administered by DOGM and DWQ for this facility are as stringent as, or more stringent than, those in UAC R315-301 through R315-320, as applied to the proposed Class IIIb landfill. Accordingly, North Lily requests that the Executive Secretary approve this application for permit-by-rule per rule R315-318.

North Lily proposes to use one of three former solution ponds, known as the barren pond, located at the Facility for disposal of demolition debris generated during closure and reclamation of the Facility. The debris will consist of scrap PVC pipe, used PVC sheeting, polyethylene pipe scraps, lumber, masonry materials, fiberglass insulation, ceramic materials, corrugated sheet metal (if it cannot be recycled immediately following demolition due to excessive costs), broken tools, plastic and metal parts, hot water heaters, un-recyclable or salvageable electrical equipment (no transformers will be disposed of in the pond/landfill and all such electrical equipment is relatively new and non-oil-containing), collapsed and empty containers, and other miscellaneous building materials. The following items will not be disposed of in the pond/landfill: free liquids or liquid wastes in containers; metal drums (e.g., 55-gallon); used pressurized containers (e.g., paint cans, lubricants, solvents); hazardous and other wastes which may not be accepted by

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Corporate Office • Sandy, Utah
(801) 943-4144
Fax (801) 942-1852

Cedar City, Utah
(435) 662-8793
Fax (435) 662-7106

Springville, Utah
(801) 489-7120
Fax (801) 489-7129

Reno, Nevada
(775) 747-5777
Fax (775) 747-2177

Elko, Nevada
(775) 738-8766
Fax (775) 738-2264

Boise, Idaho
(208) 853-0883
Fax (208) 853-0884

Class IIIb landfills in accordance with Section R315-304-3 (2) (a) and (b). Of course only debris generated at the Facility will be disposed of in the pond/landfill.

The former solution pond proposed for demolition debris disposal is 180 feet x 140 feet x 12 feet deep and has a 12 - inch compacted clay liner. The former PVC primary liner is deteriorated and will be disposed of in the former pond. The pond was above the natural grade using a peripheral earthen berm constructed of native soils placed as engineered fill. The current project schedule calls for the pond/landfill cell to be filled and covered in a period of 30 to 45 days. Debris placed in the fill will be covered intermittently during this time period so that windblown debris is minimized. Soil excavated from the upper parts of the peripheral berm along with nearby clean and recently excavated soil that was stockpiled for another reclamation-related purpose will be used for intermediate cover. Debris placed in the fill will be leveled prior to closure and placement of the final soil cover.

Other matters of note include the following: the Facility is fenced and the fencing will remain in place following closure and reclamation until all post-closure monitoring is completed and the site reclamation bond is released by DOGM; most of the material that will be disposed of in the pond/landfill will be nonflammable and, if needed, water and loose soil are available on site for fire suppression; because the pond/landfill was built with an above grade earthen berm and the watershed above is less than 10 acres, neither surface water run-on or runoff from the pond/landfill itself will occur; electrical power and telephone communications will remain in place on site until the pond/landfill is closed.

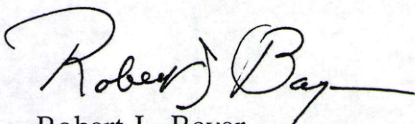
The pond/landfill will be closed as part of the overall regrading and topsoiling of the former solution pond area. The DOGM reclamation plan calls for backfilling of the solution ponds, recontouring the backfilled surface, covering the surface with topsoil or appropriate (DOGM-approved) topsoil substitute and applying the DOGM-designated revegetation seed mix. The regraded surface of the former barren pond will be sloped so that ponding of water on the backfilled surface does not occur. The final cover configuration will be crowned slightly and asymmetrically to blend in with the overall recontouring plan for the former pond area. The regrading plan calls for placement of at least three feet of cover over the debris placed in the fill. The cover soil has been approved by DOGM as acceptable growth medium for the selected revegetation seed mix.

A DOGM-administered cash (certificate of deposit) reclamation bond in the amount of \$155,100.00 is in place for the Facility. The portion of the surety that covers debris and equipment removal, dump fees, and regrading of the one acre area including and immediately surrounding the barren pond is \$10,166. If the debris is landfilled on site as proposed herein, this entire amount will be available for pond closure, since debris not to be disposed of in the pond/landfill has already been transported to the local public landfill. In JBR's experience in estimating reclamation and construction costs, this amount exceeds by at least two-fold the funds necessary to close the proposed Class IIIb landfill.

Please contact the undersigned with any questions you may have regarding this application. In addition, I am confident that both DOGM (Mr. Doug Jensen or Mr. Wayne Hedburg) or DWQ (Mr. Larry Mize or Mr. Dennis Frederick) would be pleased to answer any questions you may wish to direct to them. Time is of the essence for this project; therefore, your agency's prompt review of this request would be greatly appreciated. We would like to begin placing debris in the pond/landfill within two weeks if at all possible.

Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Bayer", with a long horizontal flourish extending to the right.

Robert J. Bayer
Managing Principal

cc: S. Flechner, G. Webb, North Lily
M.A. Wright, DOGM
D. Frederick, DWQ
W. Hedburg, DOGM
L. Mize, DWQ
D. Jensen, DOGM